



U.S. Department of Justice

*United States Attorney
District of Maryland
Northern Division*

*Allen F. Loucks
United States Attorney*

*Vickie E. LeDuc
Public Information Officer*

*36 South Charles Street
Fourth Floor
Baltimore, Maryland 21201*

*410-209-4800
TTY/TDD: 410-962-4462
410-209-4885
FAX 410-962-3091
Vickie.LeDuc@usdoj.gov*

**MARCH 3, 2005
FOR IMMEDIATE RELEASE**

**FOR FURTHER INFORMATION CONTACT:
VICKIE E. LEDUC, AUSA
(410) 209-4885**

**FORMER ANNAPOLIS ACCOUNTANT SENTENCED
FOR FALSE CLAIMS, FALSE STATEMENTS, MAIL FRAUD AND BANK FRAUD**

Baltimore, Maryland - Allen F. Loucks, United States Attorney for the District of Maryland, announced that today United States District Court Judge Catherine C. Blake sentenced Charles G. Fagan, age 62, of Annapolis, Maryland to 42 months in prison followed by three years of supervised release for crimes committed from about 2000 to 2003 in connection with various schemes to defraud the Internal Revenue Service as well as several clients of his accounting practice. Judge Blake also ordered Fagan to pay \$349,249.54 in restitution.

According to a statement of facts provided to the court as part of the plea agreement, Fagan owned and operated an accounting firm named Fagan & Associates located at 5 South Ritchie Highway, Pasadena, Maryland. The statement of facts sets forth various schemes to defraud various financial institutions and clients of his accounting practice. For example, Fagan falsified a power of attorney and sold property that belonged to a client, using the sale proceeds in excess of \$160,000 for his own personal benefit. Fagan also stole about \$80,000 from a client shortly after her death by diverting her tax refund to a relative's bank account and falsifying documents to her trust

company to suggest that she owed taxes to the IRS, causing the trust company to mail a check to Fagan which he used for his personal benefit. Fagan also stole about \$100,000 from the bank account of a former client.

The criminal charges in this indictment were the result of a joint investigation by the Department of Treasury, Internal Revenue Service - Criminal Investigation Division and the United States Attorney's Office. The case was prosecuted by Assistant United States Attorney Steven H. Levin.